

No part of the candidate evidence in this exemplar material may be presented in an external assessment for the purpose of gaining credits towards an NCEA qualification.

3

91379



913790



NEW ZEALAND QUALIFICATIONS AUTHORITY  
MANA TOHU MĀTAURANGA O AOTEAROA

QUALIFY FOR THE FUTURE WORLD  
KIA NOHO TAKATŪ KI TŌ ĀMUA AO!

SUPERVISOR'S USE ONLY

## Level 3 Business Studies, 2018

### 91379 Demonstrate understanding of how internal factors interact within a business that operates in a global context

9.30 a.m. Friday 9 November 2018  
Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate understanding of how internal factors interact within a business that operates in a global context.	Demonstrate in-depth understanding of how internal factors interact within a business that operates in a global context.	Demonstrate comprehensive understanding of how internal factors interact within a business that operates in a global context.

Check that the National Student Number (NSN) on your admission slip is the same as the number at the top of this page.

**There is ONE task in this booklet. You should attempt ALL FOUR parts of the task.**

Refer to relevant business knowledge and/or Māori business concepts in your answers.

If you need more room for any answer, use the extra space provided at the back of this booklet.

Check that this booklet has pages 2–11 in the correct order and that none of these pages is blank.

**YOU MUST HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.**

**Achieved**

**TOTAL**

**03**

ASSESSOR'S USE ONLY

## TASK

ASSESSOR'S  
USE ONLY

- (a) Fully explain the importance to the business of introducing innovations to its production process.

In your answer, refer to:

- the reason that the process innovation would affect the costs of production
- the impact on competitors.

It is important for Waiti Enterprises to innovate their products. This is because it helps their business in all different aspects. Innovation will help Waiti Enterprises by decreasing their cost of production due to their new innovations with the 3D printers. It will also help them improve the quality of their product meaning that they will have more successful launches. This will mean from this innovation it will create a decrease in their overall cost of production meaning that they will have more left over money to take as profits or to reinvest in the company.

Waiti Enterprises' innovation through their 3D printers will mean that they have a competitive edge over competitors. This means that they are in front of the rest of the competitors in their market. Due to ~~to~~ this it should lead them to a higher market share which should result in more business for them.

Waiti Enterprises is aware that it needs to protect its intellectual property, such as the specialist 3D printer, from being copied by its competitors. Recently, the CEO took legal advice and learned about:

- trademarks
- patents
- copyrights.

- (b) Fully explain which intellectual property (IP) the business should invest in to prevent competitors from copying the innovations it uses in its production process.

In your answer:

- state the innovation
- the reason for your choice of IP protection
- the impact that this form of protection would have on sales.

The innovation Waiti Enterprises needs to protect is its specialised 3D printer. The Intellectual Property Protection I would choose for Waiti would be a patent. This is because a patent provides international law binding protection over a company's innovative or creative ideas and properties. This will mean that no one will be allowed to recreate or copy their innovation. This would mean that they were the only company to have this product giving them a competitive edge over the rest of the market.

A patent on Waiti innovative 3D printer would affect the company sales to increase. This is because they will be the only one with this product meaning that they will be able to provide customers with a more competitive rate and also have a higher

Success rates. This in turn would lead to their businesses' brand reputation increasing and lead on to more sales due to this.



Waiti Enterprises is keen to introduce some other product innovations that will significantly improve the performance of the rockets. The CEO is concerned about the speed at which some of their competitors are already innovating.

Waiti Enterprises will need to innovate quickly, and the CEO is considering two alternative approaches to managing the change process to ensure the staff are onboard:

- inclusive (input sought from all parties – may involve long meetings)
- top down (change process decided by managers only – no long meetings).

(c) Evaluate the likely success of a top-down approach to ensure that staff are onboard and supportive of the new product innovations.

In your answer:

- fully explain ONE positive and ONE negative effect of the top-down change management approach for the business
- provide a justified conclusion, including any new information, as to the likelihood of success of the top-down change management approach for the business.

Positive effect from the top-down change management approach for the business would be that a fast response to the problem. This is because management would decide the best approach for the business moving forward. It means they don't have to spend time meeting with other employees and discussing their views. This is good for the business because it will save the company time but also money and means their response would be a lot faster.

A possible negative to the top-down change management approach would be that workers do not feel valued within the company. This is because workers are unable to voice their opinions making them feel like they're not respected within the business. This can cause

Conflict between workers and Management because they may not agree on the changes being made. This will create a bad work environment for the employees and will mean that they will be unmotivated to work for the company. This will lead to the businesses' productivity levels to drop and could also people quitting their jobs due to this.

In conclusion the top-down change management approach would not be successful for Waiti Enterprises. This is because it will create a bad work environment for the employees leading to a decrease in their well being. This approach also means that they do not get to hear workers' opinions when they could have valuable information to help the company. This would all lead to a decrease in their productivity and their production levels, which would mean that sales would decrease along with their profitability.



Businesses should be concerned that if quality is not a focus for all staff, then the business will suffer. Two potential quality management strategies considered here are:

- Quality Assurance
- Kaizen.

(d) For a New Zealand-registered business you have studied that is operating in a global context, choose ONE of the two strategies from the above list and evaluate it for its suitability to improve the quality of the business's products.

In your answer:

- fully explain ONE positive and ONE negative effect of this quality management approach for the business
- provide a justified conclusion, including any new information, as to the suitability of this quality management approach for the business.

Name of New Zealand-registered business	Air New Zealand
Quality management approach	Kaizen

Kaizen quality management strategy is when everyone in the company is involved in caring about the quality of the product provided to customers. A positive for Air New Zealand using this strategy would be that the overall quality of their product would increase. This is because everyone within the company is now focused on quality management. It gives workers more responsibility to take care in their work to provide the best product possible. This will cause workers' well being to increase due to them now feeling more valued within the company. This will help staff overall motivation levels and lead to an increase in their productivity.

A possible negative to the Kaizen management strategy would be staff are too focused on the quality of the product and take too long to do their job. Because workers now have a responsibility for their work they may be too focused on making sure it is perfect they take too long in doing so. If this happens customers could become unhappy on the length of time it takes to provide their service. This will lead to the company's brand reputation decreasing.

In conclusion Air New Zealand would benefit from the Kaizen quality management strategy. This is because everyone within the company is responsible for providing the best quality product to the customer. This strategy could also lead to innovation in the way they produce their product. This is because everyone is now involved and responsible meaning that new ideas can stem from this. This strategy would lead to an overall improvement in the quality of their products leading to an increase in their brand's reputation. This in turn would mean that sales would increase and lead to an increase in the company's profitability.

A3



## Achievement Exemplar 2018

Subject	Level 3 Business Studies		Standard	91379	Total score	03
Q	Grade score	Annotation				
1	A3	<p><b>Part (a)</b> The candidate stated that the process innovation would decrease the cost of production but failed to explain the reason why. In the second part, the candidate incorrectly explained the impact on competitors by providing information that focused on Waiti's business, not the competitors.</p> <p><b>Part (b)</b> The candidate clearly stated the innovation (3D printer) and the reason for the choice of patent in the context. They also stated the positive impact on sales. However, they used poor business vocabulary to explain the impact, and therefore this answer did not reach Merit.</p> <p><b>Part (c)</b> The candidate explained one positive effect of the top-down strategy, but the impact statement lacked business terminology, so this answer was at the Achievement level rather than Merit. In the second part, the candidate fully explained one negative effect of the top-down strategy that was sufficient for Merit.</p> <p><b>Part (d)</b> The candidate fully explained one positive effect of the Kaizen strategy that was sufficient for Merit. In the second part, the candidate did not explain a valid negative effect of Kaizen; the candidate wrote a generic answer which lacked technical knowledge specific to Kaizen.</p>				